

No. 10314.

IN THE
United States Circuit Court of Appeals
FOR THE NINTH CIRCUIT

AL PIANTADOSI,

Appellant,

vs.

LOEW'S INCORPORATED, a corporation,

Appellee.

APPELLANT'S OPENING BRIEF.

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I.

Jurisdiction.

The Statute believed to sustain Appellate jurisdiction is Section 38 of Title 17 of the United States Code which provides that the judgment of the District Court under the Copyright Laws may be reviewed on appeal by this Court.

II.

Statement of the Case.

This suit is one for infringement of a copyright on a musical composition. The original defendants are Loew's Incorporated, a corporation; Metro-Goldwyn-Mayer Corporation, a corporation, and Leo Feist, Inc., a corporation. The Motion for Summary Judgment by two defendants, Loew's Incorporated and Metro-Goldwyn-Mayer Corporation was granted, by stipulation, as to Metro-Goldwyn-Mayer Corporation, and the full record of that dismissal is not before this Court. The defendant Leo Feist, Inc. has answered in the lower Court and this action pends there as to Leo Feist, Inc. The full record as to that defendant is not before this Court. The Motion for Summary Judgment was granted by the lower Court as to defendant Loew's Incorporated and that judgment is the subject of this appeal. No opinion was rendered in the lower Court.

The complaint charges defendant Loew's Incorporated, the respondent, with using a musical composition entitled "THAT'S HOW I NEED YOU" belonging to plaintiff, in a motion picture without right. Loew's Incorporated (respondent) in its answer admits the use and alleges a proper license from defendant Leo Feist, Inc., and claims there was no infringement, and various affidavits are before this Court on which the lower Court entered Summary Judgment for the defendant Loew's Incorporated.

III.

Specification of Errors.

(1) The District Court erred in granting the motion for Summary Judgment.

IV.
ARGUMENT.

POINT A.

The Record Before the Court Shows That a Bona Fide Issue Has Been Raised That Requires a Trial on the Merits of the Case.

Appellant offered the following to substantiate his claim of infringement by respondent:

(1) Allegations in his complaint [Tr. 2, 3, 4].

(2) Admission by respondent of the use of the musical composition [Tr. 12].

(3) Renewal registration of the renewal copyright by appellant [Tr. 3], which is admitted by respondent [Tr. 11].

A certificate of registration of a copyright claim is *prima facie* evidence of the facts therein stated.

Copyright Act 1909, Sec. 55—U. S. C. A. Title 17,
par. 55;

Nutt v. National Institute, 31 F. (2d) 236;

Pizanno v. Knowles, 37 F. Supp. 118;

Freudenthal v. Hebrew Pub. Co. (N. Y.), 44 Fed
Supp. 754;

Vitaphone Corp. v. Hutchison, 28 Fed. Supp. 526
at 529.

Defendant Loew's Incorporated also plead a registration of copyright by its licensor, Leo Feist, Inc. [Tr. 11]. An issue as to whether plaintiff, or defendant's licensor, was entitled to the copyright was raised thereby.

Summary Judgment ought not to be given unless the truth is clear. Upon the entire record the Court should be able to say that the trial of the action will be a useless form.

Whitaker v. Coleman, 115 F. (2d) 305.

(4) Allegations and denials in affidavit of Al Piantadosi as follows:

(a) Denial of terms of employment contract [Tr. 65] which contract is pleaded in answer [Tr. 13] on information and belief; and referred to in answer to Interrogatory 8 [Tr. 21] thus: "Loew's Incorporated has in its possession what purports to be a copy of the contract of employment between Leo Feist, Inc. and Al Piantadosi, a copy of which is attached hereto Exhibit 2."

It may be significant that Olman nowhere makes affidavit that there is such a contract.

(b) Denial of date of execution of assignments of renewal copyrights by Goodwin and McCarthy, and allegation that such assignments were made before renewal date; and letter of McCarthy [Tr. 87] that apparently contradicts his affidavit [Tr. 77] as to date of his renewal assignment. In this letter he states he "resigned my copyright with Feist about five years ago." His letter is dated Mar. 23, 1942. His affidavit says he resigned in 1939.

POINT B.

There Is No Conclusive Evidence in the Record of a License to Respondent Loew's Incorporated, or That the Alleged License Was Made Before the Infringement.

(a) There is evidence as follows, that the alleged license and check in payment of same were predated and possibly fabricated to make out a license before infringement date, all sufficient to raise a *bona fide* issue as to whether any license had been made at all.

Exhibit "C" to Piantadosi affidavit [Tr. 71] shows an item of \$1500 received by Feist for "Synchro" on "THAT'S HOW I NEED YOU." Letter of March 10, 1942 [Tr. 72], part of Exhibit "D," indicates this sum was received for use in motion picture production "Barnacle Bill." Letter March 20, 1942 [Tr. 73] states the sum was received July 29, 1941. Piantadosi's affidavit [Tr. 68] states that defendant was notified of infringement on July 25, 1941. Defendant's answer in paragraph V [Tr. 12] admits that plaintiff notified them of his claim of infringement. No date was specified in complaint.

There is also a direct contradiction in respondent's statements as to the sum paid for this license, which is sufficient alone to raise a *bona fide* issue as to whether in fact there ever was a license. Olman in his letter of March 10, 1942 [Tr. 72] states that \$1500 was received for the license. The check [Tr. 24] states the sum to

be \$515.64, and the letter acknowledging receipt of the check [Tr. 64], recites the amount as \$515.64.

Another strange incident concerning the license check that requires a cross-examination of the parties to explain, is the fact that the check purportedly bearing date of July 21, 1941, was "certified" on July 31, 1941, and paid Aug. 5, 1941 [Tr. 24], the latter two dates being *after* notice of infringement on July 21, 1941.

(b) Piantadosi's affidavit [Tr. 68] alleges that infringement took place before May 1, 1941. The complaint alleges the infringement took place about June 1, 1941 [Tr. 4]. The earliest date that defendant claims to have any kind of license, and this allegation is not denied [Olman affidavit, Tr. 54], sets May 2, 1941, as date of first quotation for license.

(c) The record shows that Loew's Incorporated own controlling ownership of Leo Feist, Inc., through controlling ownership of another corporation, Robbins Music Corporation [Tr. 22]. Thus, Leo Feist, Inc., is a subsidiary of Loew's and any license from Fiest to Loew's would be one from a corporation to its parent. It is our contention that such a license should be put to all the tests of a fiduciary relationship. This is especially true where Feist purports to license its parent not only its own one-half interest in the musical composition but also the other one-half owned by appellant here. This feature will be referred to later in this brief.

POINT C.

Respondent Claims to Be the Owner of the Entire Copyright by Reasons of Allegations in Pleadings and Affidavits to the Effect That the Composition Was Made for Respondent by Appellant for Hire.

Respondent claims to have an employment contract with appellant in 1909 [Tr. 13, par. X] and pleads a copy [Tr. 21, Interrogatory 8]. Its execution is denied by appellant [Tr. 65]. Such denial raises an issue.

Assuming its execution, however, the contract does not show that respondent's licensor Feist, has the synchronization rights to the works of appellant. Certain definite publishing rights are granted and synchronization is not among them [Tr. 27 *et seq.*]. Synchronization was an unknown art in 1909 when the alleged employment contract was made, and could not inferentially be included. It is a synchronization right that is claimed to be licensed here.

POINT D.

Appellant Denies That Respondent's Licensor Feist Became a Co-owner in the Musical Composition.

Respondent claims it became a co-owner with appellant by purchase of co-authors' rights.

The musical composition here involved was written jointly by appellant Piantadosi and Messrs. Joe Goodwin and Joe McCarthy [Tr. 3, par. IV]. They thus became co-authors and are commonly held to be tenants in

common (*Maurel v. Smith*, 220 Fed. 195). During the first copyright period, during the year 1936, Feist acquired McCarthy's and Goodwin's rights in the composition by contract [Tr. 35 and 42]. These contracts attempted to convey the renewal rights to the copyright. The renewal copyright was obtained on June 1, 1939 [Tr. 3]. There is respectable legal authority for the proposition that a copyright owner may not sell his renewal right prior to its exercise. (*Silverman v. Sunrise Picture Corp.* (C. C. A. 2), 273 F. 909.)

A more recent case, *Witmark v. Fisher Music Co.* (C. C. A. 2), 125 F. (2d) 949, however, has sustained a sale of a copyright before renewal under the peculiar facts of that case, where a power of attorney had been given to the assignee and acted upon. This is not true in the instant case.

Respondent claims to have again acquired the co-authors' rights *after* renewal by contract [Tr. 57, Exhibit C; Tr. 39, Exhibit D]. Appellant questions the date of this after-renewal contract, the one dated September 18, 1939 [Tr. 66-67], although McCarthy's affidavit [Tr. 77] states he executed a second contract the date it bears, November 25, 1939. A genuine issue exists on this point.

These contracts show on their face that it was contemplated that Feist would also acquire the rights of appellant [Tr. 37, lines 4 to 6], which was not done. There is a question as to whether these contracts are not conditional.

POINT E.

Respondent Is Not the Owner of Any Valid Renewal Copyright.

Respondent says in Olman affidavit [Tr. 52], "On May 22, 1939 and within one year prior to the expiration of said original term of copyright in said musical composition entitled 'THAT'S WHY I NEED YOU' [meaning 'THAT'S HOW I NEED YOU'] said Leo Feist, Inc. obtained a renewal and extension of the copyright therein both in its name as proprietor (*by reason of the copyright having been originally secured by its predecessor in interest as an employer for whom said work had been made for hire*) and for, on behalf of and in the names of Joe McCarthy and Joe Goodwin as the authors of the words thereof, by making application therefor to the said Copyright Office, which application was thereupon duly registered therein on May 22, 1939, renewal registration No. 76764, as provided by section twenty-three of said Act."

To enable a proprietor to properly *renew* a copyright as an employer for whom the work had been made for hire, as here alleged by Feist, such renewal applicant must have obtained the *original copyright as a proprietor*.

In above affidavit Olman says that Feist obtained the renewal by reason of the copyright having been originally secured by its predecessor as an employer, etc.

However, Exhibit A to the Olman affidavit [Tr. 57], shows that the original copyright was not obtained by Feist *as an employer* but it shows that it was obtained

for the authors. The renewal obtained by Feist, Inc. is not a valid renewal.

In the exhibit at page 83 of transcript will be found the Copyright Law requirements as to renewals by a proprietor. It states:

“3. *If the work had been copyrighted by the employer for whom such work was made for hire, the proprietor may renew,*” etc.

See also:

Copyright Act, Title 17, Sec. 23, U. S. C. A.

Respondent makes the point in argument supported by affidavit [Tr. 81] that Piantadosi's copyright application enures to Feist as a co-owner. It may be noted in the Piantadosi application [Tr. 82] that he applied in behalf of his co-authors McCarthy and Goodwin, and not in behalf of Feist as a co-owner.

POINT F.

A Co-owner May Not Alienate or License His Co-owner's Rights in the Absence of an Agreement Permitting Him So to Do.

To render a Summary Judgment here the lower Court must have determined that one co-owner (Feist) may license his co-owner's (Piantadosi) rights as well as his own. Appellant denies any such right.

Co-owners, being tenants-in-common, are governed by the same rules. It is basic law that a co-owner cannot alienate any more than his own rights in the common property, and that, in the absence of an agreement permitting the same, he cannot encumber his co-owner's rights.

Freeman on Co-tenancy, par. 182, states the following:

“As a general rule, no co-tenant has, by virtue of the relation of co-tenancy, any authority to bind his companions in interest by any contract, whether relating to the joint contract or otherwise. Therefore, neither can, in the absence of special authority so to do, make a valid leasing of the moiety of his companion.”

Paragraph 183:

“Neither of the co-tenants has any authority, by virtue of the relation of co-tenancy, to transfer, or, by any means, to dispose of the common property.”

To the same effect, 62 *Corpus Juris*, 533-4 and cases there cited.

Respondent will contend that since either co-owner is entitled to the possession of the entire property, one co-owner may therefore license the entire possession. The authorities allegedly supporting this proposition are precarious and in our judgment do not support the contention. So far as we are able to find the question has never been settled by any Federal Court, and it is an important one in the industry and we are hopeful that this Court will settle the law on this point in this case.

Respondent will cite to this Court the following cases in support of his theory:

Klein v. Beach, 232 Fed. 240. The point in this case was whether the right to dramatize a play on the stage also gave the right to dramatize it in motion pictures. The Court therein, by way of dictum said: “Here both Beach and Klein became the owners of Klein’s drama,

and each could then do with it what he pleased, with the duty of accounting over.”

But the Appellate Court in confirming this decision (239 Fed. 108) did not say anything in confirmation of this statement.

In this case, as appears in the facts stated in the lower Court decision, there was a written contract between the co-owners where one co-owner gave the other co-owner the sole and exclusive right to dramatize the jointly owned drama. Had Piantadosi here given Feist, as his co-owner, this right then of course Feist would have it. But here Feist says he may license without the consent of his co-owner.

Nillson v. Lawrence, 133 N. Y. S. 293. This case deals with a play and does hold that one tenant in common has a right to use it, or license third persons to use it.

Herbert v. Fields, 152 N. Y. S. 487, is a minor court decision. By way of dictum it says that one co-owner may license a play. It also points out a distinction between independent owners who did not collaborate in the creation of the work, as here, and joint owners of a product.

Carter v. Bailey, 64 Me. 458. The case of *Herbert v. Fields*, above, and respondent here, cite this case as authority. Weil on Copyright cites the same case. We feel that *Carter v. Bailey* is hardly any authority for the revolutionary proposition contended for. It is a decision by a County Appellate Court made in 1874, and in that case, for an accounting between partners, it was alleged that the partnership owned a book business, copyrights

and stereotype plates and by a written agreement between the partners it was agreed that the property should belong to them as tenants in common until converted into cash.

In the instant case, the musical composition which we alleged is infringed upon is used in a motion picture to such an extent that its further possible use in a feature motion picture is impossible. Its use in this instance has consumed the greater part of its value for such use. Such use is not comparable to using a play on the stage for a short period. A play so used can be used again and again—but a motion picture seldom, if ever, is again reproduced.

There is no case in the law books involving co-owner's rights in a musical composition used in a motion picture.

We quote below from English Chancery case of *Powell v. Head* (1879), L. R. 12 Ch. D. 686-688. In this case it was argued that the owner of a play could grant a license for its production without the consent of the other owners because, at common law, one tenant in common of a chattel has a right to use the chattel as he pleases. Jessel, M. R., rejects this argument saying:

“I am not at all inclined to extend the antiquated and barbarous doctrines which have been set aside partly by the Legislature and partly by Courts of Equity, to new rights created by Statute, and which are of a character wholly different from the rights of property to which these ancient doctrines apply.”

No total destruction can take place by license from one co-owner. *Osborn v. Schenck*, 83 N. Y. 200, and cases there cited.

The following cases are illustrative of appellant's position:

Highland Park v. Steel (C. C. A. 4), 235 Fed. 465 (certiorari denied 61 L. ed. 54);

Saulsberry v. Saulsberry (C. C. A. 6), 121 F. (2d) 318;

Southern Inv. Co. v. Postal Tel. Co., 156 N. C. 259; Ann. Cas. 1913 A 224, 72 S. E. 361.

We quote from the following:

Prairie v. Allen (C. C. A. 8), 2 F. (2d) 566, at p. 572:

The Court here approves the following quotation from 38 Cyc. p. 105:

“ ‘A tenant in common, not authorized thereto by his co-tenants, cannot execute a lease that will bind them without subsequent ratification even though the tenant in common attempting so to lease is in possession of the whole land; nor can he bind his co-tenants in the surrender of a lease without their authority; and any number of the cotenants less than the whole of them are incompetent to bind their nonrescinding tenants, by the rescission of a lease * * *.’ ”

Also the following from *Smith v. New Huntington General Hospital* (W. Va.), 99 S. E. 461:

“ ‘Cotenants have equal rights to the possession of land held in cotenancy, and one cotenant cannot lease the interest of another without his authority or consent. Freeman on Co-Tenancy, Par. 87.’ ”

Adams v. Yukon Gold (C. C. A. 9), 251 Fed. 226 at 229:

“But we have the general rule that one cotenant cannot bind his companions in a matter relating to the joint property, unless special authority is granted. He cannot make a promise on behalf of all cotenants or dispose of the property.”

We submit that the record herein shows clearly that there is a genuine issue between the parties that prevents any Summary Judgment; and that the lower Court erred in its conclusions that respondent is entitled to a judgment as a matter of law.

Respectfully submitted,

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Attorney for Appellant.

